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PATENT APPLICATION
TRANSMITTAL

Attorney Docket No. 429032000100

Total Pages

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First Named Inventor or Application Identifier

P. Allen Crounce, et al.

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APPLICATION ELEMENTS

See MPEP chapter 600 concerning utility patent application contents

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- 1.
- ☒
- Fee Transmittal Form
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- 2.
- ☒
- Specification [Total Pages 49]
-
- (preferred arrangement set forth below)

- Descriptive title of the Invention
- Cross References to Related Applications
- Statement Regarding Fed sponsored R & D
- Reference to Microfiche Appendix
- Background of the Invention
- Brief Summary of the Invention
- Brief Description of the Drawings (if filed)
- Detailed Description
- Claim(s)
- Abstract of the Disclosure

- 3.
- ☒
- Drawing(s) (35 USC 113) [Total Sheets 12]

- 4.
- ☒
- Oath or Declaration [Total Pages 2]

- a.
- ☒
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- b.
- ☐
- Copy from a prior application (37 CFR 1.63(d)
-
- (for continuation/divisional with Box 17 completed)
-
- [Note Box 5 below]

- i.
- ☐
- DELETION OF INVENTOR(S)

Signed statement attached deleting inventor(s) named in the prior application, see 37 CFR 1.63(d)(2) and 1.33(b)

- 5.
- ☒
- Incorporation By Reference (useable if Box 4b is checked)

The entire disclosure of the prior application, from which a copy of the oath or declaration is supplied under Box 4b, is considered as being part of the disclosure of the accompanying application and is hereby incorporated by reference therein

- 6.
- ☐
- Microfiche Computer Program (Appendix)

7. Nucleotide and/or Amino Acid Sequence Submission
-
- (if applicable, all necessary)

- a. ☐ Computer Readable Copy
- b. ☐ Paper Copy (identical to computer copy)
- c. ☐ Statement verifying identity of above copies

ACCOMPANYING APPLICATION PARTS

- 8. ☒ Assignment Papers (cover sheet & document(s))
- 9. ☐ 37 CFR 3.73(b) Statement ☒ Power of Attorney
(when there is an assignee)
- 10. ☐ English Translation Document (if applicable)
- 11. ☐ Information Disclosure Statement (IDS)/PTO-1449 ☐ Copies of IDS Citations
- 12. ☐ Preliminary Amendment
- 13. ☒ Return Receipt Postcard (MPEP 503)
(Should be specifically itemized)
- 14. ☒ Small Entity ☐ Statement filed in prior application,
Statement(s) Status still proper and desired
- 15. ☐ Certified Copy of Priority Document(s)
(if foreign priority is claimed)
- 16. ☐

17. If a CONTINUING APPLICATION, check appropriate box and supply the requisite information.

- ☐
- Continuation
- ☐
- Divisional
- ☐
- Continuation-in-part (CIP) of prior application No. *

18. CORRESPONDENCE ADDRESS

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- ☒ If a paper is untimely filed in the above-referenced application by applicant or his/her representative, the Assistant Commissioner is hereby petitioned under 37 C.F.R. § 1.136(a) for the minimum extension of time required to make said paper timely. In the event a petition for extension of time is made under the provisions of this paragraph, the Assistant Commissioner is hereby requested to charge any fee required under 37 C.F.R. § 1.17(a)-(d) to **Deposit Account No. 03-1952**. However, the Assistant Commissioner is **NOT** authorized to charge the cost of the issue fee to the Deposit Account.

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FOR	NUMBER FILED	NUMBER EXTRA	RATE	CALCULATIONS
TOTAL CLAIMS	27 - 20 =	17	x \$18.00	\$306.00
INDEPENDENT CLAIMS	13 - 3 =	10	x \$78.00	\$780.00
MULTIPLE DEPENDENT CLAIM(S) (if applicable)			+ \$260.00	\$0
			BASIC FEE	\$690.00
			TOTAL OF ABOVE CALCULATIONS =	\$1776.00
Reduction by 1/2 for filing by small entity (Note 37 C.F.R. §§ 1.9, 1.27, 1.28). If applicable, verified statement must be attached.				\$888.00
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Dated: February 14, 2000

Respectfully submitted,

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Applicant/Patentee: Cronic, et al.

Docket No.: 429032000100

Serial No./Patent No.: Not Assigned

Filed on/Issued : HEREWITH

For: PORTABLE AUTHORIZATION DEVICE FOR AUTHORIZING USE OF PROTECTED INFORMATION AND ASSOCIATED METHOD

**VERIFIED STATEMENT CLAIMING SMALL ENTITY STATUS
37 C.F.R. §§ 1.9(f) AND 1.27(c) — SMALL BUSINESS CONCERN**

I hereby declare that I am

☐ the owner of the small business concern identified below:

☒ an official of the small business concern empowered to act on behalf of the concern identified below:

NAME OF CONCERN: Pace Anti Piracy, Inc.

ADDRESS OF CONCERN: 1363 Meridian Avenue, San Jose, California 95125

I hereby declare that the above identified small business concern qualifies as a small business concern as defined in 13 C.F.R. § 121.12, and reproduced in 37 C.F.R. § 1.9(d), for purposes of paying reduced fees to the United States Patent and Trademark Office, in that the number of employees of the concern, including those of its affiliates, does not exceed 500 persons. For purposes of this statement, (1) the number of employees of the business concern is the average over the previous fiscal year of the concern of the persons employed on a full-time, part-time or temporary basis during each of the pay periods of the fiscal year, and (2) concerns are affiliates of each other when either, directly or indirectly, one concern controls or has the power to control the other, or a third party or parties controls or has the power to control both.

I hereby declare that rights under contract or law have been conveyed to and remain with the small business concern identified above with regard to the invention, entitled **PORTABLE AUTHORIZATION DEVICE FOR AUTHORIZING USE OF PROTECTED INFORMATION AND ASSOCIATED METHOD** by inventor(s) Paul Allen Cronic and Joseph M. Fontana described in

☒ the specification filed herewith with title as listed above.

☐ the application identified above.

☐ the patent identified above.

If the rights held by the above identified business concern are not exclusive, each individual, concern or organization having rights in the invention must file separate verified statements averring to their status as small entities, and no rights to the invention are held by any person, other than the inventor, who would not qualify as an independent inventor under 37 C.F.R. § 1.9(c) if that person made the invention, or by any concern which would not qualify as a small business concern under 37 C.F.R. § 1.9(d), or a nonprofit organization under 37 C.F.R. § 1.9(e).

Each person, concern or organization having any rights in the invention is listed below:

☒ no such person, concern, or organization exists.

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NAME	ADDRESS	TYPE
		<input type="checkbox"/> Individual <input type="checkbox"/> Small Business Concern <input type="checkbox"/> Nonprofit Organization

Separate verified statements are required from each named person, concern or organization having rights to the invention averring to their status as small entities. (37 C.F.R. § 1.27)

I acknowledge the duty to file, in this application or patent, notification or any change in status resulting in loss of entitlement to small entity status prior to paying, or at the time of paying, the earliest of the issue fee or any maintenance fee due after the date on which status as a small entity is no longer appropriate. (37 C.F.R. § 1.28(b))

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the application, any patent issuing thereon, or any patent to which this verified statement is directed.

NAME OF PERSON SIGNING: Paul Allen Cronic

TITLE OF PERSON IF OTHER THAN OWNER: President

ADDRESS OF PERSON SIGNING: 1363 Meridian Avenue, San Jose, California 95125

SIGNATURE: 

DATE: 2/5/2000

**PORTABLE AUTHORIZATION DEVICE
FOR AUTHORIZING USE OF PROTECTED INFORMATION
AND ASSOCIATED METHOD**

Inventors:

P. Allen Cronce and Joseph M. Fontana

CROSS-REFERENCE TO RELATED APPLICATIONS

This application claims priority to provisional Application No. 60/169,506, filed December 7, 1999.

BACKGROUND OF THE INVENTION

1. Field of the Invention

This invention relates generally to techniques for authorizing the use of protected information and, in particular, to a portable authorization device (commonly known as a “dongle”) for authorizing a host system to use protected information.

2. Description of the Related Art

A software “wrapper” is a commonly used technique for selectively authorizing the use of protected information associated with a host system such as a personal computer or a server. The protected information, for example, may comprise a software program to be executed, or data to be processed, by the host system. The software wrapper permits an end-user to access or execute the protected program or data only if a predetermined condition is met. The predetermined condition can be, for example, the running of a trial period that allows the end-user to evaluate the protected program or data or the presentation of the proper authorization information by the end-user. The authorization information, for example, may be a password manually entered by the end-user or digitally encoded data. A discussion of software wrappers can be found, for

example, in The Seybold Report on Internet Publishing, Dec. 1997, no. 4, vol. 2, p. 3.

There are several techniques known in the art for delivering authorization information to authorize a host system to use protected information. In one technique, the authorization information is stored on a portable authorization device that is commonly known as a “dongle.” Dongles are small, readily transportable electronic devices as described, for example, in U.S. Patent No. 4,562,306. Dongles are typically provided by the software vendor together with the wrapped software program they are intended to authorize.

To enable the software program to run on a particular computer, the end-user simply connects the dongle to a communications port of the computer, such as a parallel port or Universal Serial Bus (USB) port. Therefore, the end-user can authorize a number of different computers to run the program simply by connecting the dongle to whichever computer that he or she desires to run the program on at any given time.

However, a disadvantage presented by dongles is that they typically store authorization information for only one software program or perhaps for a group of software programs from a single vendor. Consequently, because an end-user typically might use several software programs from multiple vendors at any given time, he or she might have to carry around multiple dongles, which could be cumbersome and inconvenient.

Another disadvantage is that the authorization information stored in the dongle is typically set by the software vendor during manufacture and generally cannot be subsequently updated. As a result, when a software vendor provides an end-user with a software upgrade, add-on or plug-in, etc. for a protected software program, the vendor often also delivers a new dongle to authorize the associated software. This is not very cost-effective for software vendors because the cost of the dongle itself can be significant in relation to the value of the associated software.

In a second technique known in the art, the authorization information is stored on a magnetic floppy disk known as a “key diskette.” The key diskette

may be considered a type of information authority, which is a secure and trusted device for transmitting and receiving information. The key diskette is typically provided by the software vendor with the wrapped software program. To authorize the software program to run on a particular computer, the end-user inserts the key diskette in the computer to transfer the authorization information, typically a secret key, from the key diskette to the hard disk drive of the computer. Before the computer begins execution of the program, the software wrapper verifies that the correct key is present on the hard disk drive, and if so, allows the computer to execute the program. This technique is used in the Pace Anti-Piracy InterLok product, which was developed by the applicant of the present invention.

An advantage of this technique over dongles is that authorization information for many different software programs from multiple vendors can be stored on the hard disk drive of the computer. Consequently, an end-user who runs multiple programs on a computer does not need to keep multiple key diskettes on hand to authorize each of the programs.

This technique suffers from several shortcomings, however. First, the authorization information is not readily transferable between computers. Typically, the key diskette is permitted to transfer the authorization information to only a limited number of computers at any given time. Once the authorization information is transferred to a particular computer, the authorization cannot be readily transferred from that computer to another computer because it is stored on that computer's internal hard disk drive. Consequently, if the end-user wants to authorize a new computer to run a software program but the key diskette has run out of authorizations, the authorization information must be removed from one of the computers containing the authorization information and transferred to the new computer -- a rather cumbersome operation. Therefore, unlike dongles, this technique does not allow authorization information to be readily transferred between computers. Another disadvantage of this technique is that floppy disks are gradually being phased out of use as data input devices for computers so that in the near future computers may not be able to read the key diskettes.

5 A third technique described in U.S. Patent No. 5,854,891, issued to Postlewaite (“the ‘891 patent”) describes a security device for enabling selected functions to be performed by or within a computer connected to the security device. The security device includes a smart card reader for reading data from smart cards, which may be considered to be a type of information authority. The security device also includes a control module having a segmented non-volatile memory composed of a plurality of segments. Enabling data from a plurality of smart cards is read by the smart card reader and entered into the segmented non-volatile memory. Each segment of the segmented non-volatile memory creates a virtual token essentially duplicating the enabling ability of the corresponding smart card. The security device is detachable from the computer and thus can be used to enable functions on multiple computers.

15 An advantage of the security device described in the ‘891 patent is that it is relatively inexpensive for a software vendor to provide authorization information for software updates, add-ons, plug-ins, etc. because the authorization information is delivered using smart cards rather than dongles. Smart cards are significantly less expensive than conventional dongles because they are typically implemented with simpler hardware.

20 However, the security device of the ‘891 patent suffers from several disadvantages. First, the security device requires a “segmented” memory to prevent the smart cards stored in the memory from interfering with each other and possibly corrupting one another’s data. This increases the complexity and cost of the security device because it necessitates that the device implement memory management or protection mechanisms in hardware and/or software. Second, the security device apparently is not capable of receiving authorization information from multiple types of information authorities. The ‘891 patent mentions that the security device can receive enabling data or authorization information from smart cards. However, the patent does not disclose or suggest that the device can receive authorization information from other types of information authorities, such as floppy disks or computer servers. Consequently, it appears that the use of

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the security device as an authorization device is limited to those software vendors that support smart cards as a data delivery mechanism.

In view of the shortcomings of the above-described techniques, it is an object of the invention to provide an authorization device for authorizing the use of protected information that can be updated with new authorization information and yet is removably couplable to host devices, readily portable and relatively inexpensive.

A second object of the invention is to provide a portable authorization device that can receive and store authorization information from multiple types of information authorities.

A third object of the invention is to provide a portable authorization device that offers a high level of security to prevent unauthorized access to the authorization information when stored or being transmitted.

SUMMARY OF THE INVENTION

The invention provides an authorization system and associated method for selectively authorizing a host system to use one or more items of protected information associated with the host system. The authorization system includes a portable authorization device that is removably couplable to the host system. The portable authorization device is capable of receiving and storing multiple items of authorization information associated with a plurality of respective items of protected information from one or more information authorities. Preferably, the portable authorization device is capable of communicating with multiple types of information authorities.

The portable authorization device of the present invention selectively authorizes the host system to use the one or more respective items of protected information based upon the respective authorization information stored therein.

These and other features of the invention will be better appreciated from the following detailed description of the invention together with the appended drawings.

BRIEF DESCRIPTION OF THE DRAWINGS

Figure 1 is a diagram of an authorization system for selectively authorizing a host system to use a plurality of items of protected information in accordance with a presently preferred embodiment of the invention, including a portable authorization device, a host system and multiple types of information authorities.

Figure 2 is a flow chart of the operation of the authorization system shown in Figure 1 to authorize the host system.

Figure 3 is a diagram of the hardware components of the portable authorization device shown in Figure 1.

Figure 4 is a diagram of the functional components executed by the portable authorization device shown in Figure 3.

Figure 5 is a diagram of the data stored in the EEPROM of the portable authorization device shown in Figure 3.

Figure 6 is a diagram showing the format of the dynamic user data stored in the EEPROM of the portable authorization device shown in Figure 3.

Figure 7 is a diagram of the hardware components of the physical direct information authority shown in Figure 1.

Figure 8 is a diagram of the data stored in the EEPROM of the physical direct information authority shown in Figure 7.

Figure 9 is a flow chart showing the details of the key exchange process shown in Figure 2.

Figure 10 is a flow chart showing the details of the host system authorization process shown in Figure 2.

Figure 11 illustrates an exemplary key blending algorithm for blending the dynamic key selectors stored in the EEPROM of the portable authorization device.

Figure 12 is a diagram showing a key exchange between two portable authorization devices in accordance with an alternative embodiment of the invention.

DETAILED DESCRIPTION OF THE PREFERRED EMBODIMENTS

The invention comprises an authorization system including a portable authorization device and associated method for selectively authorizing a host system to use a plurality of items of protected information. The following description is presented to enable any person skilled in the art to make and use the invention, and is provided in the context of a particular application and its requirements. Various modifications to the preferred embodiment will be readily apparent to those skilled in the art, and the generic principles defined herein may be applied to other embodiments and applications without departing from the spirit and scope of the invention. Moreover, in the following description, numerous details are set forth for purpose of explanation. However, one of ordinary skill in the art would realize that the invention may be practiced without the use of these specific details. In other instances, well-known structures and devices are shown in block diagram form in order not to obscure the description of the invention with unnecessary detail. Thus, the invention is not intended to be limited to the embodiment shown, but is to be accorded the widest scope consistent with the principles and features disclosed herein.

Figure 1 illustrates an authorization system 100 in accordance with a presently preferred embodiment of the invention. The authorization system 100 comprises one or more access control programs 117 associated with a host system 110, a portable authorization device 140, and one or more information authorities 160, 180 and 185. The authorization system 100 selectively authorizes the host system 110 to use a plurality of items of protected information 115 associated with the host system, as described in detail below.

Each of the access control programs 117, which may also be referred to as a “software wrapper,” is used to control access to one of the respective items of protected information 115. The access control program 117 authorizes the host system 110 to use the associated item of protected information 115 only if the end-user provides the correct authorization information to the access control program. The access control programs 117, in conjunction with the host system 110, are also used to control communications between the indirect information

authorities 180 and 185 and the host system 110. Each item of protected information 115 and respective access control program 117 are typically provided by the software vendor as an integrated product for installation on the host system 110.

5 In a presently preferred embodiment of the invention, the items of protected information 115 may each comprise a software program or data. The host system 110 in this embodiment may comprise a personal computer or a server computer connected to a network.

10 The portable authorization device 140 of the authorization system 100 is a relatively small and simple “dongle-like” device that stores one or more items of authorization information 171 for authorizing the host system 110 to use the respective items of protected information 115. The portable authorization device 140 includes a microprocessor or dedicated logic for performing secure transactions with the host system 110 and a memory for storing the authorization information 171. Like a conventional dongle, the portable authorization device 140 is readily transportable and can be used with a number of different host systems 110. To use the portable authorization device 140 with a host system 110, the end-user may simply connect the device to a communications port of the host system, such as a parallel port or USB port. Unlike a conventional dongle, 20 however, the portable authorization device 140 can store multiple items of authorization information 171 to authorize the use of respective items of protected information 115.

25 Furthermore, the portable authorization device 140 can be updated with new authorization information 171 from information authorities 160/180/185, as explained below. An advantage provided by this feature is that it is relatively inexpensive for a software vendor to authorize the use of a new version of software. The vendor can update the portable authorization device 140 with the new authorization information by providing a relatively simple and inexpensive information authority, rather than a dongle, to the end-user.

30 In a presently preferred embodiment of the invention, the authorization information 171 stored in the portable authorization device 140 comprises one or

more dynamic key selectors, which are used to derive the secret keys. In other embodiments, the authorization information 171 may consist of one or more secret keys. The portable authorization device 140 may be referred to as a “key repository,” as it is used to store multiple dynamic key selectors or keys for authorization purposes.

The information authorities 160, 180 and 185 are trusted devices for transmitting and receiving information, such as messages, from the portable authorization device 140. The information authorities 160, 180 and 185 provide respective authorization information 171 for transmission to the portable authorization device 140 to authorize the use of the items of protected information 115. In a presently preferred embodiment, the information authorities 160, 180 and 185 comprise message authorities for transmitting and receiving messages from the portable authorization device 140. The information authorities 160, 180 and 185 may be used, for example, by software vendors as a means to deliver software, upgrades, authorization information, etc. to end-users.

In a presently preferred embodiment of the invention, the authorization information 171 transmitted by the information authorities 160, 180 and 185 comprises dynamic key selectors, which do not themselves authorize the use of the protected information 115 on the host system 110, but are used to generate the secret keys that perform such authorization. In other embodiments, however, the authorization information 171 may comprise the secret keys themselves.

In addition to providing authorization information 171, the information authorities 160, 180 and 185 may also provide user data 173 and other types of data for transmission to the portable authorization device 140. The user data 173 transmitted by the information authorities 160, 180 and 185 may be used to replace or update the user data stored in the portable authorization device 140. Alternatively, for example, the user data 173 may comprise data that enables specific security options in the portable authorization device 140.

The authorization system 100 may support multiple types of information authorities. The types of information authorities supported may include a physical direct information authority 160, a physical indirect information authority 180 and

a networked indirect information authority 185. The multiple types of information authorities 160, 180 and 185 each communicate with the portable authorization device 140 in a different manner, as explained below. An advantage provided by this feature is that, unlike the security device of the '891 patent, the portable authorization device 140 is capable of receiving software, upgrades or authorization information from multiple software vendors supporting different types of information authorities, such as magnetic media (e.g., key diskettes), servers connected to the Internet, smart cards, etc.

The access control programs 117 of the host system 110 may be used to control which of the information authorities 160, 180 and 185 are permitted to communicate with the portable authorization device 140. The access control programs 117 may also be used to control the order in which the information authorities are to be accessed by the portable authorization device. The access control programs 117 can be configured with this information by the software vendor prior to delivery of the respective items of protected information 115 to the user.

A physical direct information authority 160 can be a relatively small, simple and transportable device that stores authorization information 171 and other data associated with one or more items of protected information 115 for transmission to the portable authorization device 140. The direct information authority 160 is "direct" in that it communicates directly with the portable authorization device 140 rather than through some intermediary device. The physical direct information authority 160 interfaces with the portable authorization device 140 by being placed either in direct contact with, or in close physical proximity to, the authorization device. The physical direct information authority 160 includes a microprocessor or dedicated logic for performing secure transactions with the portable authorization device 140 and a memory for storing the authorization information 171 and other data.

Unlike a conventional dongle or smart card, the physical direct information authority 160 is not required to perform or support the authorization process itself, but merely can provide an item of authorization information used to

perform the authorization. As a result, the physical direct information authority 160 can have more modest hardware and software requirements than either a dongle or a smart card, and can be smaller and less expensive. Examples of physical direct information authorities 160 include smart cards as well as devices with more rudimentary processing and storage capabilities than smart cards.

The physical direct information authority 160 is typically supplied to the end-user by the vendor of the item of protected information 115 together with the protected information. The physical direct information authority 160 may be referred to as a “license chip,” as it in effect confers a license to use the item of protected information 115.

The physical indirect information authority 180 and the networked indirect information authority 185 are devices that communicate with the portable authorization device 140 through the host system 110, and are thus “indirect.” The access control programs 117 of the host system 110 control which one of the indirect information authorities 180 or 185 communicates with the portable authorization device 140 at any given time. The access control programs 117 also provide the communication protocol for communications between the indirect information authorities 180 and 185 and the host system 110.

The physical indirect information authority 180 can be a physical medium that stores authorization information 171 and other data associated with one or more items of protected information 115. In a preferred embodiment of the invention, the physical indirect information authority 180 is a magnetic medium, such as the “key diskette” described above, that is inserted into a floppy disk drive 113 on the host system 110. Unlike conventional key diskettes, however, the physical indirect information authority 180 transfers the authorization information 171 to the portable authorization device 140, rather than to the host system 110, for storage. The physical indirect information authority 180 is significantly less expensive than a dongle due to its relative simplicity. The physical indirect information authority 180 is typically supplied by the vendor of the item of protected information 115 together with the protected information.

The networked indirect information authority 185 can be a system, such as a computer server, that stores authorization information 171 and other data associated with one or more items of protected information 115. Unlike conventional networked schemes, however, the networked indirect information authority 185 transmits the authorization information 171 to the portable authorization device 140, rather than to the host system 110, for storage. The networked indirect information authority 185 is connected to a network 187, such as the Internet, and communicates with the portable authorization device 140 via the network 187, the host system 110 and the host system interface circuit 145.

The networked indirect information authority 185 is typically operated by the vendor of the item of protected information 115.

In a presently preferred embodiment of the invention, the authorization information 171 stored in the information authority 160/180/185 comprise dynamic key selectors. The dynamic key selectors do not themselves authorize the use of the protected information 115 on the host system 110, but are used to generate the secret keys that perform such authorization. As described in detail below, the portable authorization device 140 uses one of the dynamic key selectors 171 to generate a secret key, i.e., an item of generated authorization information 175, for authorizing the use of the item of protected information 115.

Thus, unlike the security device of the '891 patent described above, which merely duplicates the enabling ability of the smart cards that it reads, the portable authorization device 140 is capable of generating the authorization information internally. An advantage of this feature is that it prevents the generated authorization information 175 from being intercepted during transmission, thereby providing the authorization system 100 with increased security.

Figure 2 illustrates the overall process employed by the authorization system 100 in a presently preferred embodiment of the invention to selectively authorize the host system 110 to use an item of protected information 115 associated with the host system. The authorization process actually involves numerous steps and will be explained in greater detail below. The authorization

process is coordinated by the access control program 117 associated with the item of protected information 115 running on the host system 110.

5 The authorization process involves two basic steps. First, the information authority 160/180/185 transfers the authorization information 171 to the portable authorization device 140 for storage therein (step 210). This step is referred to as a “key exchange.” The end-user initiates the key exchange by establishing a connection between the information authority 160/180/185 and the portable authorization device 140, for example, by inserting the direct information authority 160 into a reader on the portable authorization device 140. Second, the portable authorization device 140 authorizes the host system 110 to use the item of protected information 115 (step 220). The end-user initiates this step by connecting the portable authorization device 140 to the host system 110. After this process is completed, the end-user is permitted to use the item of protected information 115 on the host system 110 as required. The first and second steps of the process do not need to be performed consecutively and, in addition, may be performed using different host systems 140.

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Figures 3 to 11 illustrate a preferred embodiment of the invention in which the authorization information 171 comprises a dynamic key selector and the generated authorization information 175 comprises a secret key. This embodiment protects against unauthorized access to the secret key because it does not transmit the secret key itself between the information authority 160/180/185 and the portable authorization device 140. In other embodiments, the authorization information 171 and the generated authorization information 175 may be identical, both comprising the secret key. The generated authorization information 175 in these embodiments is not generated by the portable authorization device 140 but rather, is transmitted from the information authority 160/180/185.

Figure 3 illustrates the hardware components of the portable authorization device 140 in a presently preferred embodiment of the invention. The portable authorization device 140 includes a processing unit 141, a storage medium 144, the host system interface circuit 145 and the direct information authority interface

circuit 147. In this embodiment, the processing unit 141 comprises a microcontroller including a program ROM 142 and a program/data RAM 143. The storage medium 144 in this embodiment comprises an EEPROM, which is a well-known type of non-volatile semiconductor memory device. The program ROM 142 and EEPROM 144 store program code and data, respectively, that are executed or operated on by the processing unit 141 during the operation of the portable authorization device 140.

The host system interface circuit 145 and the direct message interface circuit 147 provide an electrical interface to the host system 110 or the physical direct information authority 160, respectively. In a preferred embodiment of the invention, the host system interface circuit 145 may consist of a USB connector and associated circuitry that connects to a USB port on the host system 110. The direct message interface circuit 147 in this embodiment may consist of a card reader and associated circuitry.

Figure 4 shows the various functional components executed by the portable authorization device 140 during its operation in a presently preferred embodiment of the invention. In this embodiment, the functional components are implemented as groups of program instructions stored in the program ROM 142 that are executed by the processing unit 141. In other embodiments, the functional components may be implemented with varying combinations of hardware and software. The arrows shown in the figure indicate the functional interdependencies between the components. The functional components of the portable authorization device 140 include:

(1) Host command processor 280. The host command processor 280 is the main processing component of the portable authorization device 140 and manages the operation of the other program ROM components. The host command processor 280, through the host system interface 281, receives and processes commands sent by the access control program 117 of the host system 110. The host command processor 280 includes security routines to ensure that the access control program 117 cannot overstep its authority in controlling the portable authorization device 140, however.

(2) Host system interface 281. The host system interface 281 provides a communications protocol for the portable authorization device 140 to communicate with the host system 110. The host system interface 281, in conjunction with the access control programs 117 of the host system 110, is also used for communications with the physical and networked indirect information authorities 180 and 185. The access control programs 117 handle the portion of the communications occurring between the host system 110 and the indirect information authorities 180 and 185. Information is transmitted between the portable authorization device 140 and the host system 110 via the host system interface circuit 145. In a preferred embodiment of the invention that uses a USB port, the host system interface 281 communicates with the host system 110 using a USB communications protocol.

(3) Key manager 282. The key manager 282 coordinates the storage, removal and verification of dynamic key selectors (i.e., authorization information) 171, dynamic user data 157 and other data in the storage medium 144. The key manager 282 coordinates the storage and removal of dynamic key selectors 171 during key exchange operations between the portable authorization device 140 and the information authorities 160, 180 and 185, as described below. The key manager 282 also coordinates the transfer of dynamic key selectors 171 during the host system authorization process.

(4) Host authenticator 283. The host authenticator 283 is used to verify the identity of (i.e., authenticate) the physical and networked indirect information authorities 180 and 185 so that secure and trusted communications can be established between the portable authorization device 140 and the information authorities. The authentication process is performed to prevent the portable authorization device 140 from inadvertently transmitting confidential information to an unauthorized source and breaching the security of the device. The authentication process is performed before the portable authorization device 140 is allowed to exchange information, e.g., dynamic key selectors 171, with the physical and networked indirect information authorities 180 and 185. If the authentication is successful and if the operation being performed involves the

transfer of dynamic key selectors 171 to or from the storage medium 144, the host authenticator 283 then calls the key manager 282 to perform the transfer. In a preferred embodiment of the invention, the host authenticator 283 performs the authentication using a challenge-response transaction, which is a technique known in the art for establishing trusted communications between devices. The challenge-response transaction uses a fixed secret key 152 (see Figure 5) shared by both the portable authorization device 140 and the indirect information authorities 180 and 185 to authenticate the information authority. In other embodiments of the invention, the host authenticator 283 may use other authentication methods, such as exchanging passwords.

(5) Key encryptor 284. The key encryptor 284 is used to encrypt and decrypt (or more generally, encode and decode) the dynamic key selectors (i.e., authorization information) 171, dynamic user data 157 and other associated data in the storage medium 144. The key encryptor 284 performs the encryption and decryption using any of the conventional types of encryption algorithms known in the art, such as block cipher, stream cipher or public key algorithms. The particular algorithm used is unique to the individual portable authorization device 140. In a presently preferred embodiment of the invention, the key encryptor 284 is also used to blend and unblend the dynamic key selectors 171, as explained below.

(6) Host authorizer 285. The host authorizer 285 is used to authorize the host system 110 to use the item of protected information 115. The authorization process includes generating the secret key 175 from the dynamic key selector 171 associated with the item of protected information 115. The host authorizer 285 performs the authorization using a challenge-response transaction. The host authorizer 285 works with the key manager 282 to find and retrieve the dynamic key selector 171 from the storage medium 144.

(7) Direct information authority interface 286. The direct information authority interface 286 provides a communications protocol for the portable authorization device 140 to communicate with the physical direct information authority 160. Information is transmitted between the portable authorization

device 140 and the direct information authority 160 via the direct information authority interface circuit 147. In a preferred embodiment of the invention, the direct information authority interface 286 communicates with the physical direct information authority 160 using an I2C serial communications protocol.

(8) Direct information authority authenticator 287. The direct information authority authenticator 287 is used to verify the identity of (i.e., authenticate) the physical direct information authority 160 so that secure and trusted communications can be established between the portable authorization device 140 and the direct information authority. The authentication process is performed before the portable authorization device 140 is allowed to exchange information, e.g., dynamic key selectors 171, with the direct information authority 160. If the authentication is successful and if the operation being performed involves the transfer of dynamic key selectors 171 to or from the storage medium 144, the direct information authority authenticator 287 then calls the key manager 282 to perform the transfer. In a preferred embodiment of the invention, the direct information authority authenticator 287 performs the authentication using a challenge-response transaction. The challenge-response transaction uses a fixed secret key 152 (see Figure 5) shared by both the portable authorization device 140 and the direct information authority 160 to authenticate the information authority.

(9) Message manager 288. The message manager 288 regulates which messages, e.g., dynamic key selectors 171, transmitted by the information authorities 160, 180 and 185 can be processed by the portable authorization device 140. Conversely, the message manager 288 also regulates which messages can be transmitted by the portable authorization device for processing by the information authorities. The message manager 288 performs this regulation by determining whether the messages are authorized for use with the portable authorization device 140 and halting the processing of those messages without proper authorization. If a message is determined to be authorized, the message manager 288 then calls the direct information authority authenticator 287 to perform the authentication of the information authority 160/180/185.

Figure 5 shows the contents of the storage medium (i.e., EEPROM) 144 of the portable authorization device 140 in a presently preferred embodiment of the invention. In this embodiment, the contents of the storage medium 144 comprises data that is operated on by the processing unit 141 during operation of the portable authorization device 140. The data stored in the storage medium 144 comprises:

(1) Fixed key ID 151. The fixed key ID 151 is used to indicate the identity of the fixed secret key 152.

(2) Fixed secret key 152. The fixed (or shared) secret key 152 is a secret key that is known and stored in (i.e., shared by) both the portable authorization device 140 and the information authorities 160, 180 and 185. The fixed secret key 152 is used to generate a response message as part of a challenge-response transaction used for authenticating the information authority 160/180/185, as explained below. The fixed key ID 151 and fixed secret key 152 are encrypted using a conventional encryption algorithm.

(3) Fixed user data 153. The fixed user data 153 is used to store alphanumeric strings or other data not related to the authorization function of the portable authorization device 140. The fixed user data 153 may include a manufacturing secret key which identifies the particular product type of the portable authorization device 140 and a serial number that uniquely identifies the individual portable authorization device. The fixed user data 153 is preferably not encrypted.

(4) Password 154. The password 154 is set by the end-user and is unique to the individual portable authorization device 140. The password 154 protects the portable authorization device 140 against unauthorized use, as explained below.

(5) Dynamic seed 155. The dynamic seed 155 is mathematically combined with one of the dynamic key selectors (i.e., authorization information) 171 to generate the secret key (i.e., generated authorization information) 175. The dynamic seed 155 is unique to the individual portable authorization device 140.

(6) Dynamic key selector data 156. In a preferred embodiment of the invention, the dynamic key selector data 156 comprises blended and encrypted

dynamic key selectors (i.e., authorization information) 171 stored in the storage medium 144. In other embodiments with lesser security requirements, the dynamic key selectors 171 may be stored in the storage medium 144 without blending. Each item of dynamic key selector data 156 comprises data derived from the blending two or more of the dynamic key selectors 171. The dynamic key selectors 171 are blended in a systematic way such that the dynamic key selector data 156 cannot be partitioned into segments exclusively associated with individual dynamic key selectors. The dynamic key selectors 171 may be blended using any of a variety of mathematical algorithms known in the art, ranging from simple to complex. The blending algorithm selected depends on the degree of security required and the processing and storage capabilities of the portable authorization device 140. An exemplary blending algorithm is described below in association with Figure 11. The dynamic key selectors 171 are encrypted using a conventional encryption algorithm. The encryption and blending of the dynamic key selectors 171 are performed by the key encryptor 284 stored in the program ROM 142. The dynamic key selector data 156 may also include the key IDs 170 associated with the dynamic key selectors 171. The key IDs 170 are preferably not encrypted or blended. An advantage provided by the blended dynamic key selector data is that it prevents unauthorized access to and tampering with the dynamic key selectors 171, thereby increasing the security of the portable authorization device 140.

(7) Dynamic user data 157. The dynamic user data 157 comprises miscellaneous data stored in the storage medium 144. The structure of the dynamic user data 157 is not necessarily formalized and can be adapted for a variety of uses by the manufacturer of the portable authorization device 140. In one preferred embodiment, the dynamic user data 157 may comprise data pertaining to the end-user of the portable authorization device 140, such as registration information. This data may be transmitted back to the information authority 160/180/185 for retrieval and use by the software vendor. In another preferred embodiment, the dynamic user data 157 may comprise data that enables specific security options in the portable authorization device 140. The dynamic

user data 157 is preferably encrypted to prevent unauthorized access to the dynamic user data stored in the storage medium 144. The dynamic user data 157 is encrypted using the key encryptor 284 stored in the program ROM 142.

In a presently preferred embodiment of the invention, the storage medium 144 of the portable authorization device 140 is specific to that individual authorization device. In this embodiment, the processing unit 141 is a secure microcontroller in which the key encryptor 284 stored in the program ROM 142 can be read only with proper authorization. Consequently, even if an unauthorized user copies the encrypted data stored in the storage medium 144 to a second portable authorization device, the second device cannot access the data because the unauthorized user cannot copy the key encryptor 284 used to decrypt the data. An advantage of this feature is that it prevents an unauthorized copy of the dynamic key selectors 171, dynamic user data 157 and other encrypted data stored in the storage medium 144 from being made and used in a duplicate portable authorization device 140.

Figure 6 shows the format of the dynamic user data 157 as stored in the storage medium 144 of the portable authorization device 140 in a presently preferred embodiment of the invention. This embodiment provides the end-user with the flexibility to select the individual products or features of an item of protected information 115 that he or she wants to use at his or her convenience. For example, the end-user can select which application program to use within a suite of programs. The end-user is allowed to select the desired products or features during the installation process for the protected information 115 via a user interface of the access control program 117.

The dynamic user data 157 is composed of two fields, a 56-bit feature enable field 157(a) (shown as "XXXXXXXX/XXXXXX") and an 8-bit feature credit counter 157(b) (shown as "YY") (the "X" and "Y" represent hexadecimal numbers). The feature enable field 157(a) allows the end-user to enable individual products or features by setting the appropriate bits of the feature enable field 157(a). The software developer decides the exact meaning of each bit of the feature enable field 157(a) (i.e., what the bit enables). For example, bit 1 of the

feature enable field 157(a) can be used to turn on a first feature of the host software program and bit 2 can be used to activate a second feature. The procedure for using this feature will be described later.

Figure 7 illustrates the hardware components of the direct information authority 160. The direct information authority 160 includes a processing unit 161, a storage medium 164 and authorization device interface circuit 165. In a presently preferred embodiment of the invention, the processing unit 161 comprises a microcontroller including a program ROM 162 and a program and data RAM 163. The storage medium 164 in this embodiment comprises an EEPROM. The program ROM 162 and EEPROM 164 store program code and data, respectively, that are executed or operated on by the processing unit 161 during the operation of the direct information authority 160. The authorization device interface circuit 165 is used to provide an electrical interface between the direct information authority 160 and the portable authorization device 140.

It should be noted that although the direct information authority 160 appears similar to the portable authorization device 140 in this embodiment, the direct information authority can be constructed of components having significantly less processing and storage capabilities than those required by the portable authorization device. This is because the portable authorization device 140 participates in the authorization process itself, which is a rather complex process, while the direct information authority 160 merely supplies an item of authorization information 171 that is used in the authorization process.

The direct information authority 160 executes several functional components during its operation in a presently preferred embodiment of the invention. In this embodiment, the functional components are implemented as groups of program instructions stored in the program ROM 162 that are executed by the processing unit 161. In other embodiments, the functional components may be implemented with varying combinations of hardware and software. The functional components of the direct information authority 160 include (not shown):

(1) Authorization device interface. The authorization device interface provides a communications protocol for the direct information authority 160 to communicate with the portable authorization device 140. Information is transmitted between the direct information authority 160 and the portable authorization device 140 via the authorization device interface circuit 165.

(2) Authorization device authenticator. The authorization device authenticator is used to verify the identity of (i.e., authenticate) the portable authorization device 140 so that secure and trusted communications can be established between the direct information authority 160 and the portable authorization device 140. The authentication process is performed before the direct information authority 160 is allowed to access the dynamic key selectors (i.e., authorization information) 171 and other information stored in the portable authorization device 140. In a preferred embodiment of the invention, the authorization device authenticator performs the authentication using a challenge-response transaction. The challenge-response transaction uses the fixed secret key 152 shared by both the direct information authority 160 and the portable authorization device 140 to authenticate the portable authorization device.

Figure 8 shows the contents of the storage medium (i.e., EEPROM) 164 of the direct information authority 160 in a presently preferred embodiment of the invention. In this embodiment, the contents of the storage medium 164 comprises data that is operated on by the processing unit 161 during operation of the direct information authority 160. Similar data is also stored in the physical and networked indirect information authorities 180 and 185. The data stored in the storage medium 164 comprises:

(1) Key ID 170. The key ID 170 is used to specify the identity of the desired dynamic key selector 171 during a challenge-response transaction, as explained below.

(2) Dynamic key selector (i.e., authorization information) 171. The dynamic key selector 171 is associated with an item of protected information 115. The dynamic key selector 171 is transmitted to the portable authorization device 140 during a key exchange.

(3) Key authorization counter 172. The key authorization counter 172 is used to keep track of and limit the number of times the dynamic key selector 171 can be transferred to a portable authorization device 140.

(4) User data 173. The user data 173 is used to replace or update the dynamic user data 157 stored in the portable storage device 140 during a key exchange, as explained below.

(5) User data authorization counter 174. The user data authorization counter 174 is used to keep track of and limit the number of times the user data 173 can be used to replace or update the user data 157 in a portable authorization device 140.

Figures 9 and 10 show the details of the process illustrated in Figure 2 for selectively authorizing the host system 110 to use an item of protected information 115. Figure 9 shows the steps performed by a preferred embodiment of the invention to transfer the dynamic key selector (i.e., authorization information) 171 from the information authority 160/180/185 to the portable authorization device 140 (step 210 of Figure 2). This procedure is known as a “key exchange.”

The key exchange process is initiated and controlled by the access control program 117 associated with the item of protected information 115 in conjunction with the host system 110. The operation of the portable authorization device 140 during this process is conducted by the various components stored in the program ROM 142 under the control of the host command processor 280. The host command processor 280 includes security routines to ensure that the access control program 117 cannot overstep its authority in controlling the authorization device, however.

The process for transferring the authorization information 171 is as follows. First, in a present embodiment of the invention, the end-user connects the portable authorization device 140 to a host system 110 (step 211). The portable authorization device 140 in this embodiment receives power from the host system 110 to operate its internal circuitry because it does not have its own power supply.

Second, the end user establishes a connection between the information authority 160/180/185 and the portable authorization device 140 so that the devices may begin communicating with each other (step 212). For the physical direct information authority 160, the end-user first inserts the direct information authority into the portable authorization device 140. The direct information authority interface 286 of the portable authorization device 140 then establishes communications with the direct information authority 160. For the physical indirect information authority 180, the end-user first inserts the physical indirect information authority into the floppy disk drive 113 of the host system 110. The host system interface 281 of the portable authorization device 140 then establishes communications with the physical indirect information authority 180 via the host system 110. For the networked indirect information authority 185, the end-user first establishes a network connection between the networked indirect information authority and the host system 110. The host system interface 281 of the portable authorization device 140 then establishes communications with the networked indirect information authority 185 via the host system 110.

Third, the portable authorization device 140 authenticates the information authority 160/180/185 using a challenge-response transaction (step 213). The authentication process verifies the identity of the information authority 160/180/185 to establish secure and trusted communications with the authority. The direct information authority authenticator 287 performs the authentication of the direct information authority 160, while the host authenticator 283 performs the authentication of the indirect information authorities 180 and 185.

In a preferred embodiment of the invention, the challenge-response transaction for authenticating the information authority 160/180/185 is performed as follows. First, the host authenticator 283 or the direct information authority authenticator 287, as appropriate, of the portable authorization device 140 generates and transmits a challenge message to the respective information authority 160/180/185. The challenge message consists of a large, randomly-generated number. Second, the information authority 160/180/185 generates and sends back a response message based upon a mathematical combination of the

challenge message and the fixed secret key 152 stored in the information authority. Third, the respective authenticator 283 or 287 determines if the response message is correct based upon the fixed secret key 152 stored in the portable authorization device 140. If the response message is correct, this indicates that the information authority 160/180/185 properly contains the same fixed secret key 152 as the portable authorization device 140 and that the authentication is successful. Finally, the portable authorization device 140 sends a receipt indicating success or failure of the authentication to the information authority 160/180/185.

Fourth, the portable authorization device 140 optionally verifies that it is authorized to receive the dynamic key selector 171 from the information authority 160/180/185 (step 214). During this step, the information authority 160/180/185 transmits identification information (not shown) associated with the dynamic key selector 171 to the portable authorization device 140. In a preferred embodiment of the invention, the identification information is a number used to uniquely identify the item of protected information 115 authorized by the dynamic key selector 171. In this embodiment, the fixed key ID 151 stored in the storage medium 144 is used to identify the portable authorization device 140. The portable authorization device 140 then determines, based on a comparison of the identification information with the fixed key ID 151, whether the item of protected information 115 identified by the identification information is authorized for use with the portable authorization device. Depending on the outcome of this determination, the portable authorization device 140 then authorizes or declines receipt of the dynamic key selector 171. The authorization process is performed by the message manager 288 of the portable authorization device 140.

An advantage provided by the authorization process is that it allows the dynamic key selector 171 to be targeted at specific types of portable authorization devices 140. For example, the authorization process can be used to ensure that dynamic key selectors 171 from company A's information authority 160/180/185 cannot be placed in company B's portable authorization device 140, or vice-versa.

Fifth, if the authentication and authorization steps successfully complete, the information authority 160/180/185 determines whether the dynamic key selector 171 already exists in the portable authorization device 140 (step 215). The information authority 160/180/185 makes this determination by reading the appropriate location(s) in the dynamic key selector data region 156 of the storage medium 144. If it does, the dynamic key selector 171 is not transferred to the portable authorization device 140.

Sixth, if the dynamic key selector 171 does not exist in the portable authorization device 140, the information authority 160/180/185 determines whether the key authorization counter 172 stored in the storage medium 164 is greater than zero (step 216).

Seventh, if the key authorization counter 172 is greater than zero, the information authority 160/180/185 transmits the dynamic key selector 171 to the portable authorization device 140 (step 217). The information authority 160/180/185 encrypts the dynamic key selector 171 using an encryption algorithm before it is transferred to prevent unauthorized access to the selector during transmission. The portable authorization device 140 performs its part of the dynamic key selector transfer process using the key manager 282 under the control of the message manager 288. During this step, the key authorization counter 172 is decremented by one. If the key authorization counter 172 is zero, however, the information authority 160/180/185 does not transfer the dynamic key selector 171 because the maximum number of transfers has been reached.

Eighth, the portable authorization device 140 encrypts and stores the dynamic key selector 171 in the storage medium 144 (step 218). Since the dynamic key selector 171 is transmitted to the portable authorization device 140 in encrypted form, the dynamic key selector is decrypted before storage. The dynamic key selector 171 is then encrypted using an algorithm unique to the individual portable authorization device 140 and stored in the storage medium 144. The encryption and storage is performed by the key encryptor 284 of the portable authorization device 140. In a presently preferred embodiment of the invention, the dynamic key selector 171 is also blended in the storage medium

144 using the key encryptor 284 to provide increased security. In other embodiments with lesser security requirements, the dynamic key selector 171 is not blended. The dynamic key selector 171 is now stored in the portable authorization device 140 so that the authorization device may be used to authorize a host system 110 to use the item of protected information 115 associated with the dynamic key selector 171.

In a presently preferred embodiment of the invention, the dynamic key selectors 171 may also be removed from the portable authorization device 140 for transfer back to the information authority 160/180/185. Once the dynamic key selector 171 is returned to the information authority 160/180/185, the dynamic key selector 171 can then be transferred to another portable authorization device 140'. An advantage of this feature is that unused dynamic key selectors 171 stored in the portable authorization device 140 can be "reused" in another portable authorization device.

The dynamic key selector removal is performed by the key manager 282 in coordination with the key encryptor 284. The process for transferring the dynamic key selectors 171 back to the information authority 160/180/185 is similar to the process for transferring the dynamic key selectors from the information authority to the portable authorization device 140 shown in Figure 9, except that the fifth through eighth steps are replaced as follows (steps 215-218).

Fifth, if the authentication and authorization steps successfully complete, the portable authorization device 140 determines whether the dynamic key selector 171 already exists in the information authority 160/180/185. If it does, the dynamic key selector 171 does not need to be transferred to the information authority 160/180/185. If it does not, a key authorization counter 172 is created in the storage medium 164 of the information authority 160/180/185 and is set to zero.

Sixth, the portable authorization device 140 locates, reads and decrypts the dynamic key selector 171 from the storage medium 144 of the portable authorization device 140. The decryption is performed by the key encryptor 284 of the portable authorization device 140. In a presently preferred embodiment of

the invention where the dynamic key selector 171 is blended, the dynamic key selector is also unblended using the key encryptor 284.

Seventh, the portable authorization device 140 transfers the dynamic key selector 171 to the information authority 160/180/185. The portable authorization device 140 encrypts the dynamic key selector 171 before it is transferred to prevent unauthorized access to the selector during transmission. The portable authorization device 140 performs its part of the dynamic key selector transfer process using the key manager 282 under the control of the message manager 288. During this step, the key authorization counter 172 is incremented by one.

Eighth, the information authority 160/180/185 encrypts and stores the dynamic key selector 171 in the storage medium 164. Since the dynamic key selector 171 is transmitted to the information authority 160/180/185 in encrypted form, the dynamic key selector is decrypted before storage. The dynamic key selector 171 is then encrypted and stored in the storage medium 164. Upon completion of this step, the dynamic key selector 171 is ready for transfer to another portable authorization device 140'.

In a presently preferred embodiment of the invention, the information authority 160/180/185 may also replace or update the dynamic user data 157 in the storage medium 144 of the portable authorization device 140 following the transfer of the authorization information 171 (step 215 of Figure 9). As mentioned earlier, the dynamic user data 157 may comprise, for example, registration information pertaining to the portable authorization device 140 or data for enabling security options in the authorization device. The procedure by which the dynamic user data 157 is replaced or updated is as follows. First, the user data authorization counter 174 is transmitted from the information authority 160/180/185 to the portable authorization device 140 using a challenge-response transaction. Second, if the user data authorization counter 174 is greater than zero, the information authority 160/180/185 uses the user data 173 to replace or update the dynamic user data 157 of the portable authorization device 140. Replacement of the dynamic user data 157 consists of overwriting the existing user data stored in the portable authorization device 140. Updating of the

dynamic user data 157 consists of performing an operation on the existing user data to change its value. Whether the dynamic user data 157 is replaced or updated depends on the nature of the user data. Third, the user data authorization counter 174 is decremented by one. If the user data authorization counter 174 is zero, however, the information authority 160/180/185 does not replace or update the dynamic user data 157 because the maximum number of transfers has been reached.

In some embodiments of the invention, it may not be necessary to replace or update the dynamic user data 157 in the portable authorization device 140. For example, the dynamic user data 157 in a portable authorization device 140 may be more recent than the user data 173 in the information authority 160/180/185. In this case, it would not make sense to overwrite the newer dynamic user data 157 in the portable authorization device 140. As a result, the developer's product will be given the opportunity, through PACE Application Programming Interfaces (APIs), to check and avoid any dynamic user data updates that do not make sense.

In a presently preferred embodiment of the invention, the portable authorization device 140 may also transfer the dynamic user data 157 associated with an item of protected information 115 back to the information authority 160/180/185. The user data transfer is performed by the key manager 282 of the portable authorization device 140. An advantage of this feature is that the software vendors for the items of protected information 115 authorized by the portable authorization device 140 are able to obtain information from and about the end-user of the device, such as registration information or the identity of the other programs or data stored on the portable authorization device 140.

Figure 10 shows the steps of the process by which the portable authorization device 140 authorizes the host system 110 to use an item of protected information 115 (step 220 of Figure 2). The authorization process is initiated and controlled by the access control program 117 associated with the item of protected information 115 in conjunction with the host system 110. The operation of the portable authorization device 140 during this process is conducted by the various components stored in the program ROM 142 under the

control of the host command processor 280. The host command processor 280 includes security routines to ensure that the access control program 117 cannot overstep its authority in controlling the authorization device, however.

5 The process for authorizing the host system 110 is as follows. First, the end-user connects the portable authorization device 140 to the host system 110 associated with the item of protected information 115 he or she desires to use (step 221).

10 Second, the end-user begins executing or accessing the item of protected information 115, such as a software program or a collection of data stored on the host system 110 (step 222). The access control program 117 associated with the item of protected information 115 halts the execution or access of the protected information 115, however, because it has not yet received the proper authorization. In a presently preferred embodiment of the invention, the access control program 117 displays messages on the host system 110 indicating that the program or data is not authorized to be executed or accessed and prompting the end-user to connect the portable authorization device 140 to the host system to resume execution.

15 Third, a password manager of the access control program 117 displays a message on the host system 110 prompting the end-user to enter a password for the portable authorization device 140 (step 223). The password manager then verifies that the entered password is correct by checking the entered password against the password 154 for the portable authorization device 140. The password 154 is stored in encrypted form in the storage medium 144 of the portable storage device 140 so that it cannot be read by an unauthorized user. A user interface of the password manager allows the end-user to set the password 154 upon correctly entering the original password value. In a presently preferred embodiment of the invention, the end-user is required to enter a password only to use the portable authorization device 140 for the first time on a new host system 110. The password requesting step is optional but is performed in a presently preferred embodiment of the invention. An advantage of this feature is that it protects against the use of the portable authorization device 140 by an unauthorized user.

In the fourth through eighth steps described next, the access control program 117 of the host system 110 and the portable authorization device 140 conduct a challenge-response transaction to determine whether the authorization device contains the proper authorization information for the item of protected information 115. In the fourth step, the access control program 117 on the host system 110 initiates the challenge-response transaction with the portable authorization device 140 by sending a challenge message to the portable authorization device (step 224). The challenge-response transaction determines whether the portable authorization device 140 contains the correct authorization information associated with the item of protected information 115. The challenge-response transaction does not transmit any authorization information from the portable authorization device 140 to the host system 110, thereby preventing the authorization information from being intercepted by an unauthorized person. In a presently preferred embodiment of the invention, the challenge message is a randomly-generated number. The challenge message in this embodiment is transmitted to the portable authorization device 140 together with the key ID 170 associated with the item of protected information 115.

Fifth, the portable authorization device 140 initiates a response to the challenge message by generating the secret key 175 from the dynamic key selector 171 (step 225). The portable authorization device 140 first searches the storage medium 144 for the dynamic key selector 171 corresponding to the key ID 170. During the search, the dynamic key selector data 156 stored in the storage medium 144 is decrypted and unblended to temporarily regenerate the dynamic key selectors 171. Specifically, the unblending process consists of regenerating each dynamic key selector 171 from one or more items of dynamic key selector data 156. This process is performed by the host authorizer 285 in coordination with the key manager 282 and the key encryptor 284.

If the correct dynamic key selector 171 is present, the portable authorization device 140 generates the secret key 175 using the host authorizer 285 of the portable authorization device 240. The secret key 175 is generated by mathematically combining the dynamic key selector 171 that corresponds to the

key ID 170 with the dynamic seed 155. In other embodiments in which the secret key 175 itself is stored in the portable authorization device 140, this step is skipped. In a presently preferred embodiment containing dynamic key selector data 156, the dynamic key selector 171 is unblended during this step, as described below.

Sixth, the portable authorization device 140 generates and transmits a response message to the host system 110 (step 226). The response message is generated using an algorithm that mathematically combines the challenge message and the secret key 175. The response message is generated by the host authorizer 285 of the portable authorization device 140. In a presently preferred embodiment of the invention, the response message is a mathematical combination of the challenge message and the key generated by the portable authorization device 140.

Seventh, the access control program 117 verifies that the portable authorization device 140 returns a response message and further, that the response message is correct (step 227).

Eighth, if the response message is correct, the access control program 117 authorizes the host system 110 to use the item of protected information 115, e.g., to execute the software program or access the data (step 228).

The challenge-response transaction used by the authorization process just described may be performed using one of several algorithms. In one preferred embodiment of the invention, the challenge-response transaction uses a symmetric algorithm. In the symmetric algorithm, the secret key 175 is the same for the host system 110 and the portable authorization device 140. In another preferred embodiment, the challenge-response transaction uses an asymmetric algorithm. In the asymmetric algorithm, the secret key 175' for the host system 110 is different from the secret key 175 for the portable authorization device 140, where a predetermined mathematical relationship exists between the two keys. An advantage of the asymmetric algorithm is that an unauthorized user cannot generate the correct response message merely by obtaining access to the secret key 175' from the host system 110.

In a presently preferred embodiment of the invention, the encryption algorithm used to encrypt and decrypt the dynamic key selectors 171 stored in the storage medium 144 may be changed in the field as required. The key encryptor 284 in this embodiment is capable of performing a number of different encryption algorithms, one of which is selected for use at any given time. The encryption algorithm is selected by transmitting encryption algorithm selection information (not shown), either from the information authority 160/180/185 or the host system 110, to the portable authorization device 140. The software vendor may transmit the algorithm selection information together with messages (e.g., for product updates) encrypted using the new algorithm. Once the encryption algorithm is changed, the authorization information 171, dynamic user data 157 and other data encrypted using the previous algorithm cannot be used by the portable authorization device 140. An advantage of this feature is that it enables software vendors to readily change in the field the encryption algorithm used by the portable authorization device 140 if the original encryption algorithm is discovered, thereby making it difficult for the authorization device to be tampered with or used in an unauthorized manner.

In this embodiment, the algorithm used to generate the response message during the challenge-response transaction may also be changed in the field as required. The host authorizer 285 is capable of generating the response message using a number of different algorithms, one of which is selected for use at any given time. The response algorithm is selected by transmitting response algorithm selection information (not shown), either from the information authority 160/180/185 or the host system 110, to the portable authorization device 140. Once the response algorithm is changed, the items of protected information 115 must be replaced or updated with new versions compatible with the new algorithm to work with the portable authorization device 140. An advantage of this feature is that it enables software vendors to readily change in the field the response algorithm used by the portable authorization device 140 if the original encryption algorithm is discovered, thereby making it difficult for the authorization device to be tampered with or used in an unauthorized manner.

In a presently preferred embodiment of the invention, following the authorization process of Figure 10, the portable authorization device 140 may also transfer selected dynamic user data 157 to the host system 110. The dynamic user data 157 transferred only if requested by the software program (i.e., protected information 115) associated with the host system. The dynamic user data 157 is transferred under the control of the host software program, rather than the access control program 117. The host software program first sends a request to read the selected dynamic user data 157 from the portable authorization device 140. The request specifies the key ID associated with the selected dynamic user data 157. The portable authorization device 140 then returns the selected dynamic user data 157 to the host system 110.

Referring again to Figure 8, the process for enabling specific features or products in a presently preferred embodiment of the invention is as follows. The bits of the feature enable field 157(a) are initialized to a logic value of zero, indicating that none of the features or products are enabled. Through a user interface provided by the item of protected information 115 (e.g., the host software program), the end-user buys or enables the desired features or products by setting the appropriate bits of the feature enable field 157(a) to a logic value of one. For every feature/product enabled, the feature credit counter 157(b) is decremented by one. Once the feature credit counter 157(b) reaches zero, no more features or products can be purchased or enabled for that item of protected information 115 until the end-user buys more counts via the information authorities 160/180/185 or some other secure key authority. It should be noted that the purchase or enabling of a feature or product is final. In other words, once a bit of the feature enable field 157(a) is set and the feature credit counter 157(b) decremented, the bit cannot be traded back for a count in the feature credit counter.

Figure 11 illustrates an exemplary algorithm for blending and unblending the dynamic key selector data 156 stored in the storage medium 144 of the portable authorization device 140. The algorithm is described for illustrative purposes only and other more simple or complex algorithms may be readily

substituted by those skilled in the art, depending on the degree of security required and the processing and storage capabilities of the portable authorization device 140. The illustrated algorithm uses relatively simple addition and subtraction operations to perform the dynamic key selector blending and unblending operations. The algorithm is implemented by the key encryptor 284 stored in the program ROM 142.

The figure shows three items of dynamic key selector data 156', 156'' and 156''' and three dynamic key selectors 171', 171'' and 171''' (shown as hexadecimal numbers). Each item of dynamic key selector data 156', 156'' and 156''' comprises data derived from the blending of two of the three dynamic key selectors 171', 171'' and 171'''. The items of dynamic key selector data 156', 156'' and 156''' are stored at adjacent locations in the storage medium 144 of the portable authorization device 140 and are generated from the three dynamic key selectors 171', 171'' and 171'''. The dynamic key selectors 171', 171'' and 171''' are dynamic key selectors that are transmitted sequentially from one or more information authorities 160/180/185 for storage in the portable authorization device 140. Each item of dynamic key selector data 156', 156'' and 156''' and each dynamic key selector 171', 171'' and 171''' is 32 bits wide. For this algorithm, each item of dynamic key selector data 156 is divided into two 16-bit halves, 156(a) and 156(b). Each dynamic key selector 171 is also divided into two 16-bit halves, 171(a) and 171(b).

The blending procedure using this key blending algorithm is described as follows, using the blending of dynamic key selectors to generate the item of dynamic key selector data 156'' as an example. The first half of the dynamic key selector data item 156(a)'' ("3333") is generated simply by transmitting the first half of the dynamic key selector 171(a)'' ("3333"). The second half of the dynamic key selector data item 156(b)'' ("CCCC") is generated by adding the second half of the dynamic key selector 171(b)'' ("4444") and the first half of the third dynamic key selector 171(a)''' ("8888"). Thus, the item of dynamic key selector data 156'' is derived from the two dynamic key selectors 171'' and 171'''.

Consequently, the dynamic key selector data 156 stored in the storage medium 144 cannot be partitioned into segments exclusively associated with individual dynamic key selectors.

The unblending procedure using this key blending algorithm is simply the reverse of the blending procedure. The first half of the dynamic key selector 171(a)" ("3333") is generated simply by transmitting the first half of the dynamic key selector data item 156(a)" ("3333"). The second half of the dynamic key selector 171(b)" ("4444") is generated by subtracting the first half of the third dynamic key selector data item 156(a)'" ("8888") from the second half of the dynamic key selector data item 156(b)" ("CCCC"). Thus, the dynamic key selector 171'" is derived from the two items of dynamic key selector data 156'" and 156'''.

Direct Authorization Device - Authorization Device Key Exchange Embodiment

Figure 12 illustrates an alternative embodiment of the invention providing a direct key exchange between two portable authorization devices 140 and 140'. In this embodiment, a dynamic key selector 171 stored in the portable authorization device 140 is transferred directly to a second portable authorization device 140' via a Universal Serial Bus (USB) hub 190. The USB hub 190 is an I/O device known in the art that is connected to a USB port of the host system 110. The process for transferring the dynamic key selector 171 from the portable authorization device 140 to the device 140' is as follows. First, the end-user connects the portable authorization devices 140 and 140' to the USB hub 190. Second, the portable authorization devices 140 and 140' authenticate each other using a challenge-response transaction. The authentication process verifies the identity of the two devices and establish trusted communications between them. Finally, if the authentication is successful, the secret key 175 is transferred from the portable authorization device 140 to the device 140' through the USB hub 190. An advantage of this embodiment is that dynamic key selectors 171 can

sf-787382 37

Authorization Device Reconstruction Embodiment

Another alternative embodiment of the invention provides an authorization log file (not shown) for securely reconstructing the portable authorization device 140. The authorization log file is stored on the host system 110 to which the portable authorization device 140 is connected. An advantage of this embodiment is that it enables the portable authorization device 140 to be securely reconstructed in case the device is misplaced or stolen.

The authorization log file consists of reconstruction data for reconstructing the authorization information stored on the portable authorization device 140. Specifically, the authorization log file contains information identifying the items of authorization information (e.g., dynamic key selectors) 171 stored in the portable authorization device 140. The authorization log file does not contain the items of authorization information themselves, however. The authorization log file is stored in encrypted form on the hard disk drive of the host system 110 in a hidden location. The authorization log file is generated by the portable authorization device 140 at the request of the access control program 117 associated with the host system 110.

The portable authorization device 140 is reconstructed using the authorization log file as follows. The reconstruction is performed in a secure environment under the supervision of the manufacturer of the portable authorization device or some other authorized party. First, the authorization log file is read from the hard disk drive of the host system 110 to identify the items of authorization information 171 stored in the original portable authorization device 140. Second, the manufacturer or other authorized party retrieves from secure storage the items of authorization information 171 identified by the authorization log file. Finally, the retrieved items of authorization information 171 are stored in the storage medium 144' of the replacement portable authorization device 140' to form a reconstruction of the original portable authorization device 140.

While specific embodiments of the invention have been described and illustrated, it will be appreciated that modifications can be made to these embodiments without departing from the spirit of the invention. Therefore, it is

intended that the scope of the invention be defined by the following claims and their equivalents.

CLAIMS

1. A method for operating a portable authorization device for selectively authorizing a host system to use one or more items of protected information, comprising the steps of:

coupling the portable authorization device to the host system;
receiving a first item of authorization information from a first type of information authority;
receiving a second item of authorization information from a second type of information authority; and
selectively authorizing the host system to use the one or more items of protected information based upon the first or second items of authorization information.

2. A portable authorization device for selectively authorizing a host system to use one or more items of protected information, comprising:

a processing unit;
a storage medium operatively coupled to the processing unit;
a first interface operative in conjunction with the processing unit and the storage medium for receiving a first item of authorization information from a first type of information authority;

a second interface operative in conjunction with the processing unit and the storage medium for receiving a second item of authorization information from a second type of information authority; and

a third interface operative in conjunction with the processing unit and the storage medium for communicating with the host system to selectively authorize the host system to use the one or more items of protected information based upon the first or second items of authorization information;

wherein the portable authorization device is removably couplable to the host system through the third interface.

3. The portable authorization device of claim 2, wherein:
the first interface comprises a direct information authority interface program;
the first type of information authority comprises a direct information authority
operatively coupled directly to the portable authorization device;
5 the second and third interfaces each comprise a same host system interface
program; and
the second type of information authority comprises an indirect information
authority operatively coupled to the portable authorization device through the host
system.

4. The portable authorization device of claim 3, wherein the indirect
information authority comprises a computer system coupled to the host system via
a network.

5. The portable authorization device of claim 3, wherein the indirect
information authority comprises data stored on a magnetic storage medium.

6. The portable authorization device of claim 2, further comprising:
a host authorizer operative in conjunction with the processing unit and the
third interface for selectively authorizing the host system to use the one or more
items of protected information based upon the first or second items of
authorization information.

7. The portable authorization device of claim 6, wherein the host
authorizer is a software program operatively stored in the storage unit.

8. The portable authorization device of claim 6, wherein:
the first and second items of authorization information comprise first and
second key selectors, respectively; and
30 the host authorizer in conjunction with the processing unit and the third
interface operatively generates a key based upon the first or second key selectors

and selectively authorizes the host system to use the one or more items of protected information based upon the key.

9. The portable authorization device of claim 2, wherein the first interface is configured to conduct a challenge-response transaction with the first type of information authority.

10. The portable authorization device of claim 2, wherein the second interface is configured to conduct a challenge-response transaction with the second type of information authority.

11. The portable authorization device of claim 2, wherein the third interface is configured to conduct a challenge-response transaction with the host system.

12. An authorization system for selectively authorizing a host system to use one or more items of protected information, comprising:

an access control mechanism associated with the host system for receiving a first item of authorization information from a first type of information authority operatively coupled to the host system and for forwarding the item of authorization information to the portable authorization device; and

a portable authorization device removably couplable to the host system for receiving the first item of authorization information from the access control mechanism and for selectively authorizing the host system to use the one or more items of protected information based upon the first item of authorization information.

13. The authorization system of claim 12, wherein:

the portable authorization device is configured to also receive a second item of authorization information from a second type of information authority operatively coupled to the portable authorization device and, furthermore, is configured to

selectively authorize the host system to use the one or more items of protected information based upon the first or second items of authorization information.

14. A portable authorization device for selectively authorizing a host system to use one or more items of protected information, comprising:

a processing unit;

a storage medium operatively coupled to the processing unit;

a first interface operative in conjunction with the processing unit and the storage medium for receiving a key selector from an information authority;

a host authorizer operative in conjunction with the processing unit and the storage medium for generating a key based upon the key selector; and

a second interface operative in conjunction with the processing unit and the storage medium for communicating with the host system to selectively authorize the host system to use the one or more items of protected information based upon the key;

wherein the portable authorization device is removably couplable to the host system through the second interface.

15. The portable authorization device of claim 14, wherein:

the first interface comprises an information authority interface; and

the second interface comprises a host system interface.

16. A portable authorization device for selectively authorizing a host system to use a plurality of items of protected information, comprising:

a processing unit;

a storage medium operatively coupled to the processing unit for storing one or more items of blended authorization information, each item of blended authorization information being derived from a plurality of items of authorization information;

an unblending mechanism operative in conjunction with the processing unit and the storage medium for regenerating at least one of the plurality of items of

authorization information from the one or more items of blended authorization information; and

a host system interface operative in conjunction with the processing unit and the storage medium for communicating with the host system to selectively authorize the host system to use an item of protected information based upon the at least one item of authorization information;

wherein the portable authorization device is removably couplable to the host system through the host system interface.

17. The portable authorization device of claim 16, wherein:
each item of blended authorization information is derived from the two or more items of authorization information by performing an arithmetic operation on the two or more items of authorization information.

18. A method for operating a portable authorization device for selectively authorizing a host system to use one or more items of protected information, comprising the steps of:

coupling the portable authorization device to the host system;

receiving a plurality of items of authorization information;

generating one or more items of blended authorization information from the plurality of items of authorization information;

storing the one or more items of blended authorization information in a storage medium;

retrieving one or more of the items of blended authorization information from the storage medium;

regenerating at least one of the plurality of items of authorization information from the one or more items of blended authorization information; and

selectively authorizing the host system to use an item of protected information based upon the at least one item of authorization information.

19. A portable authorization device for selectively authorizing a host system to use one or more items of protected information, comprising:

a processing unit;

a first storage medium operatively coupled to the processing unit for storing one or more encoded items of authorization information;

a second storage medium operatively coupled to the processing unit for storing decoding information used to decode the one or more encoded items of authorization information, wherein the second storage medium is accessible by the processing unit only if the processing unit receives proper authorization;

a decoding mechanism operative in conjunction with the processing unit and the first and second storage media for decoding at least one of the one or more encoded items of authorization information to produce at least one respective item of authorization information; and

an interface operative in conjunction with the processing unit for communicating with the host system to selectively authorize the host system to use an item of protected information based upon the at least one item of authorization information.

20. A portable authorization device for selectively authorizing a host system to use one or more items of protected information, comprising:

a processing unit;

a first storage medium operatively coupled to the processing unit for storing one or more encoded items of authorization information;

a second storage medium operatively coupled to the processing unit for storing a plurality of items of decoding information;

a decoding mechanism operative in conjunction with the processing unit and the first and second storage media for decoding at least one of the one or more encoded items of authorization information using a selected one of the plurality of items of decoding information to produce at least one respective item of authorization information; and

an interface operative in conjunction with the processing unit for

communicating with the host system to selectively authorize the host system to use an item of protected information based upon the at least one item of authorization information.

5 21. A portable authorization device, comprising:
 a processing unit;
 a storage medium operatively coupled to the processing unit;
 a first interface operative in conjunction with the processing unit and the
 storage medium for receiving a first item of information from a first information
 10 authority; and
 a second interface operative in conjunction with the processing unit and the
 storage medium for transmitting a second item of information to a second
 information authority.

15 22. The portable authorization device of claim 21, wherein:
 the first item of information comprises an item of authorization information
 for selectively authorizing a host system to use one or more items of protected
 information;
 the second item of information is the same as the first item of information; and
 20 the portable authorization device disables or removes the item of authorization
 information from therein upon transmission to the second information authority.

25 23. The portable authorization device of claim 22, wherein the second
 information authority is a second portable authorization device.

 24. A portable authorization device, comprising:
 a processing unit;
 a storage medium operatively coupled to the processing unit;
 a message manager operative in conjunction with the processing unit and the
 30 storage medium for determining whether the portable authorization device is
 authorized to receive an item of authorization information from an information

authority; and

an interface operative in conjunction with the processing unit, the storage medium and the message manager for receiving the item of authorization information from the information authority if the portable authorization device is authorized to receive the item of authorization information.

25. A portable authorization device for selectively authorizing a host system to use one or more items of protected information, comprising:

a processing unit;

a storage medium operatively coupled to the processing unit for storing an enable field and a counter associated with a set of items of protected information; and

an interface operative in conjunction with the processing unit and the storage medium for communicating with the host system to selectively authorize the host system to use a subset of the set of items of protected information based upon values of both the enable field and the counter.

26. A portable authorization device for selectively authorizing a host system to use one or more items of protected information, comprising:

a processing unit;

a storage medium operatively coupled to the processing unit;

a password manager operative in conjunction with the processing unit and the storage medium for determining if a predetermined password authorization condition is satisfied with respect to the host system and if not, obtaining and verifying a password entered by a user; and

an interface operative in conjunction with the processing unit, the storage medium and the password manager for communicating with the host system to selectively authorize the host system to use the one or more items of protected information only if the predetermined password authorization condition is satisfied.

ABSTRACT OF THE DISCLOSURE

An authorization system and associated method for selectively authorizing a host system to use one or more items of protected information associated with the host system. The authorization system includes a portable authorization device that is removably couplable to the host system. The portable authorization device is capable of receiving and storing multiple items of authorization information associated with a plurality of respective items of protected information from one or more information authorities. Preferably, the portable authorization device is capable of communicating with multiple types of information authorities. The portable authorization device selectively authorizes the host system to use the one or more respective items of protected information based upon the respective authorization information stored therein.

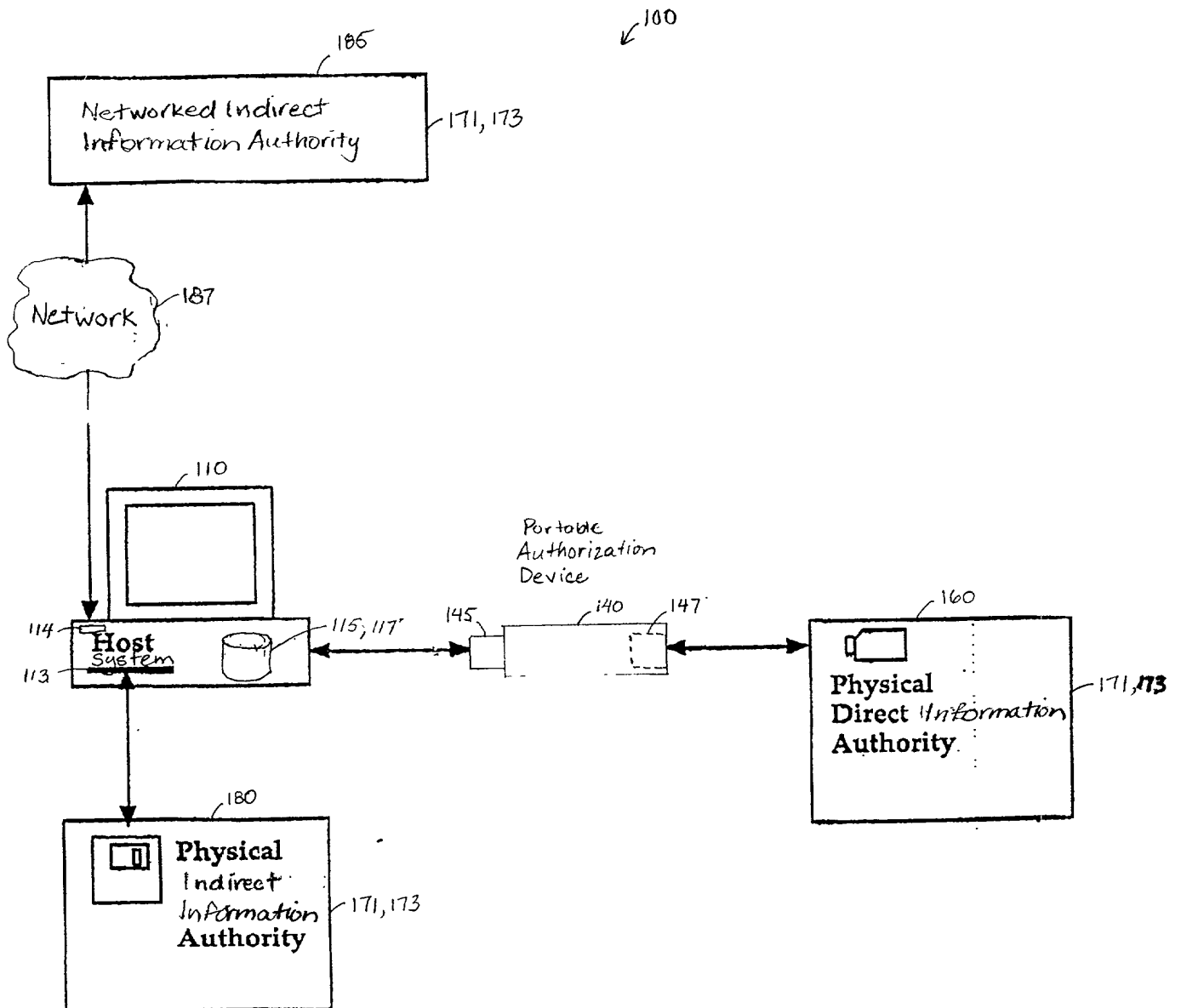


FIG. 1

OVERALL AUTHORIZATION PROCESS

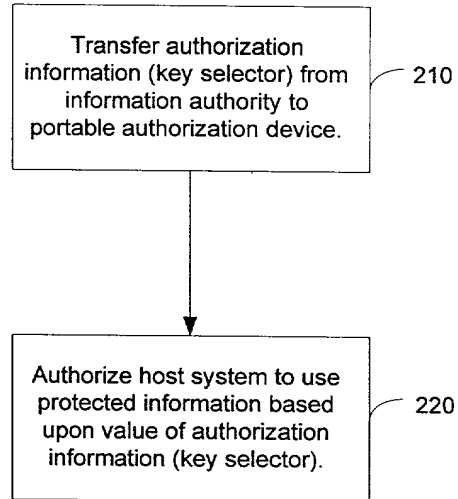


FIG. 2

PORTABLE AUTHORIZATION DEVICE

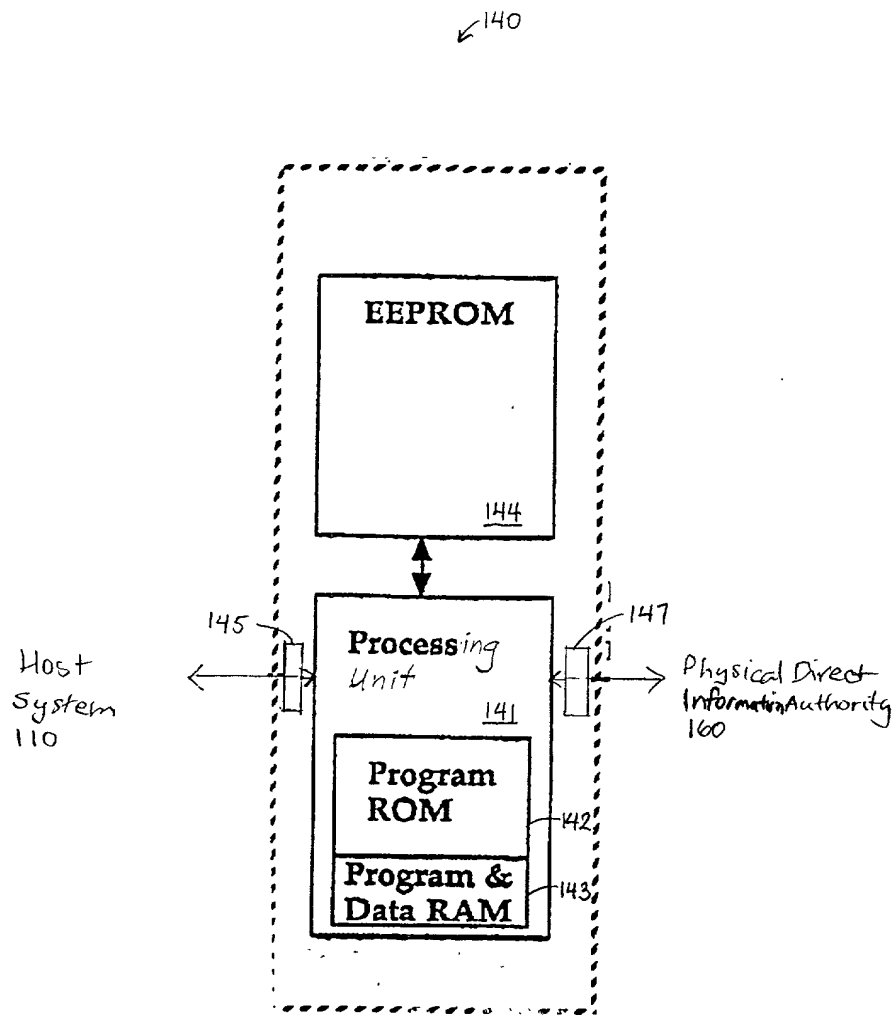


FIG 3

FUNCTIONAL COMPONENTS OF
PORTABLE AUTHORIZATION DEVICE

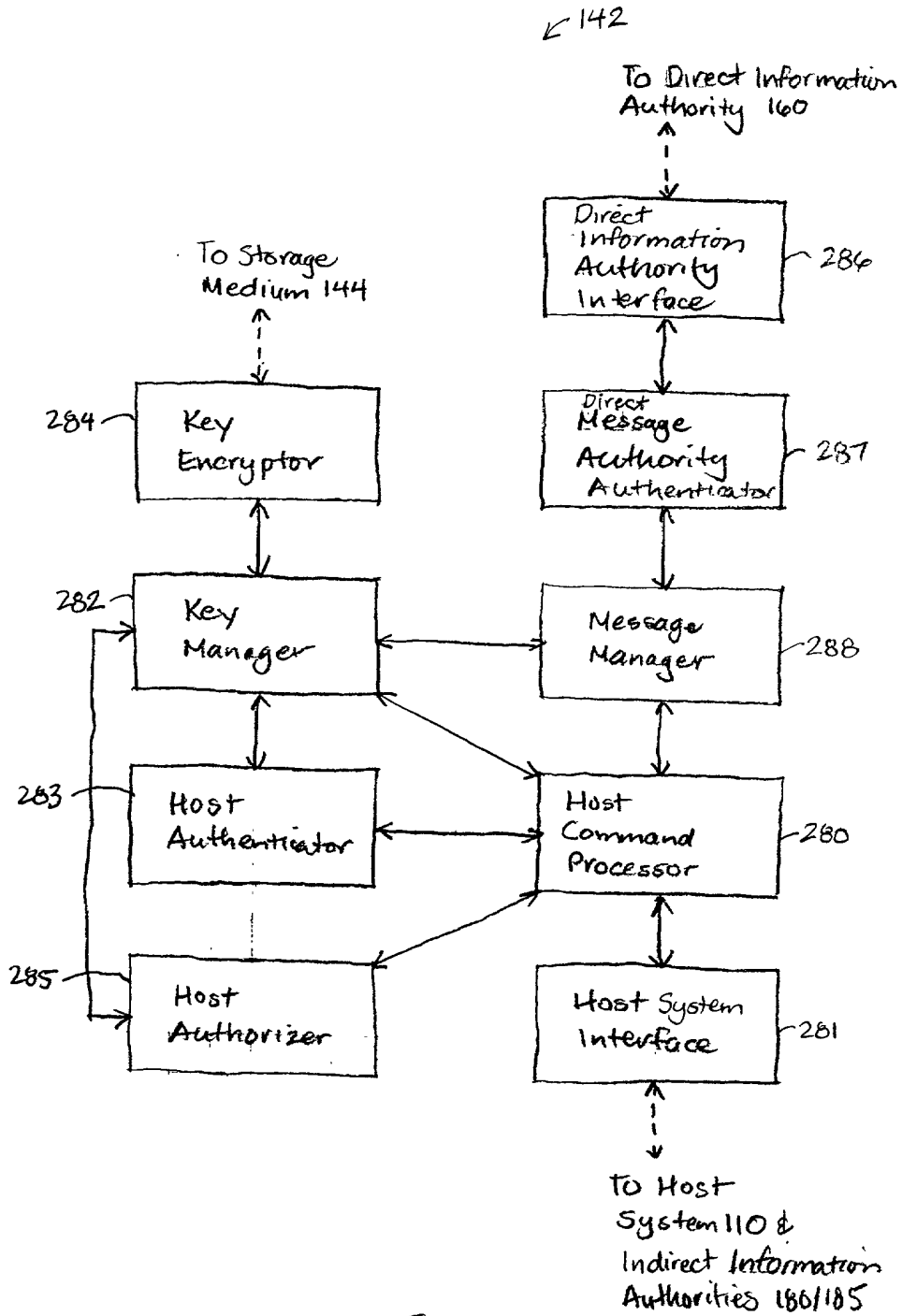


FIG. 4

PORTABLE AUTHORIZATION DEVICE
STORAGE MEDIUM

144

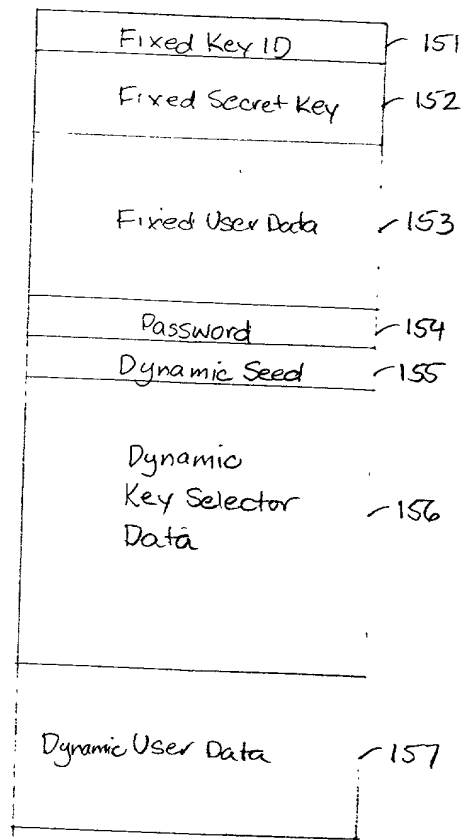


FIG. 5

FORMAT OF
DYNAMIC USER DATA

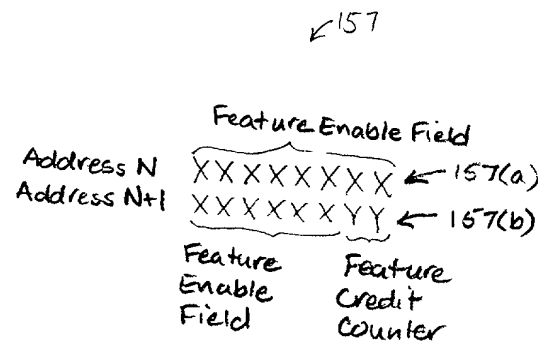


FIG 6

PHYSICAL DIRECT
MESSAGE AUTHORITY

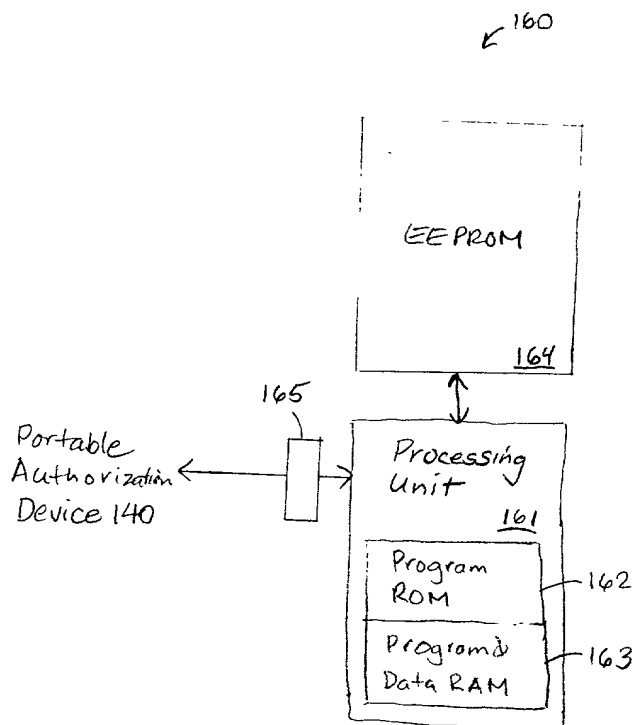


FIG. 7

PHYSICAL DIRECT
MESSAGE AUTHORITY
STORAGE MEDIUM

164

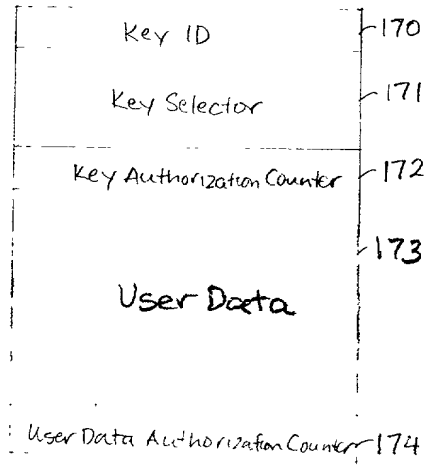


FIG. 8

KEY SELECTOR TRANSFER PROCESS

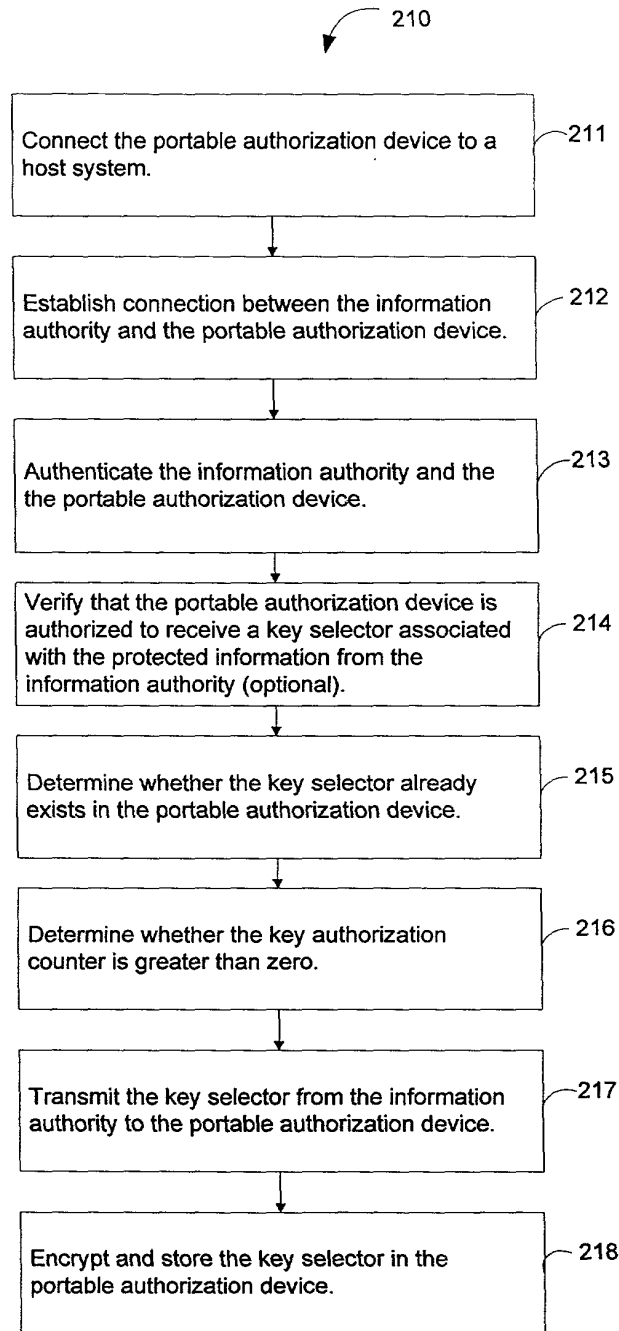


FIG. 9

HOST SYSTEM AUTHORIZATION PROCESS

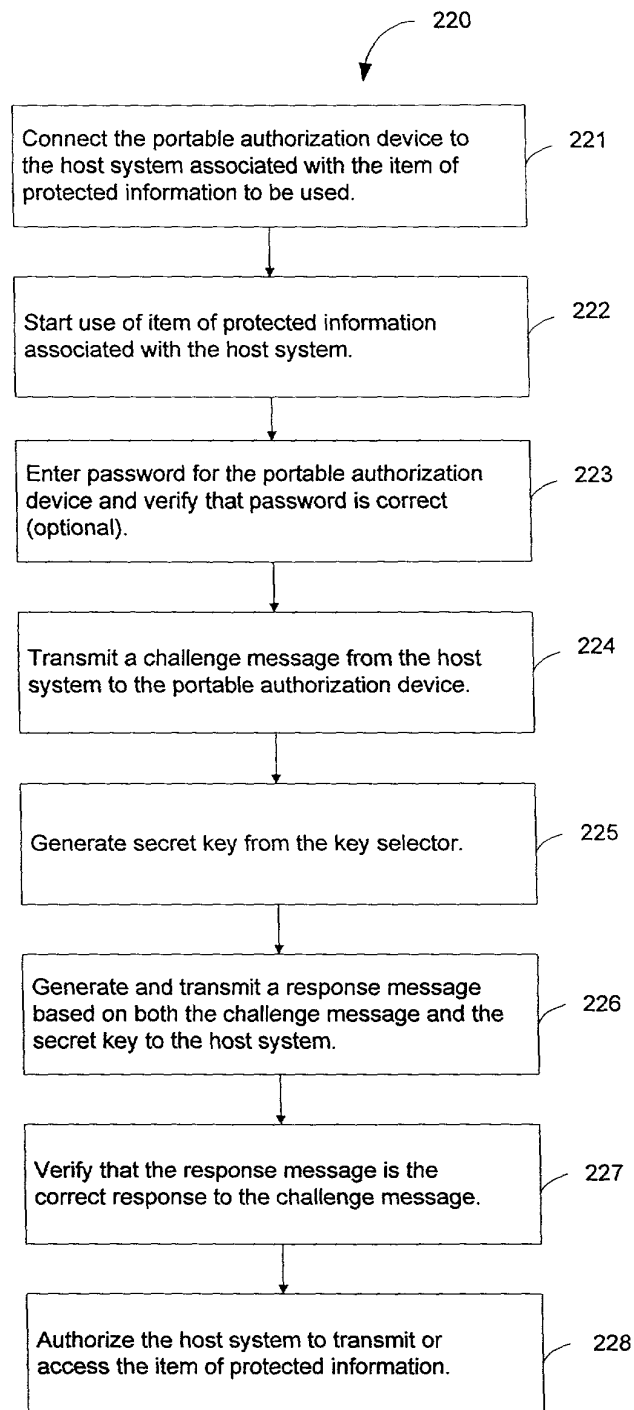
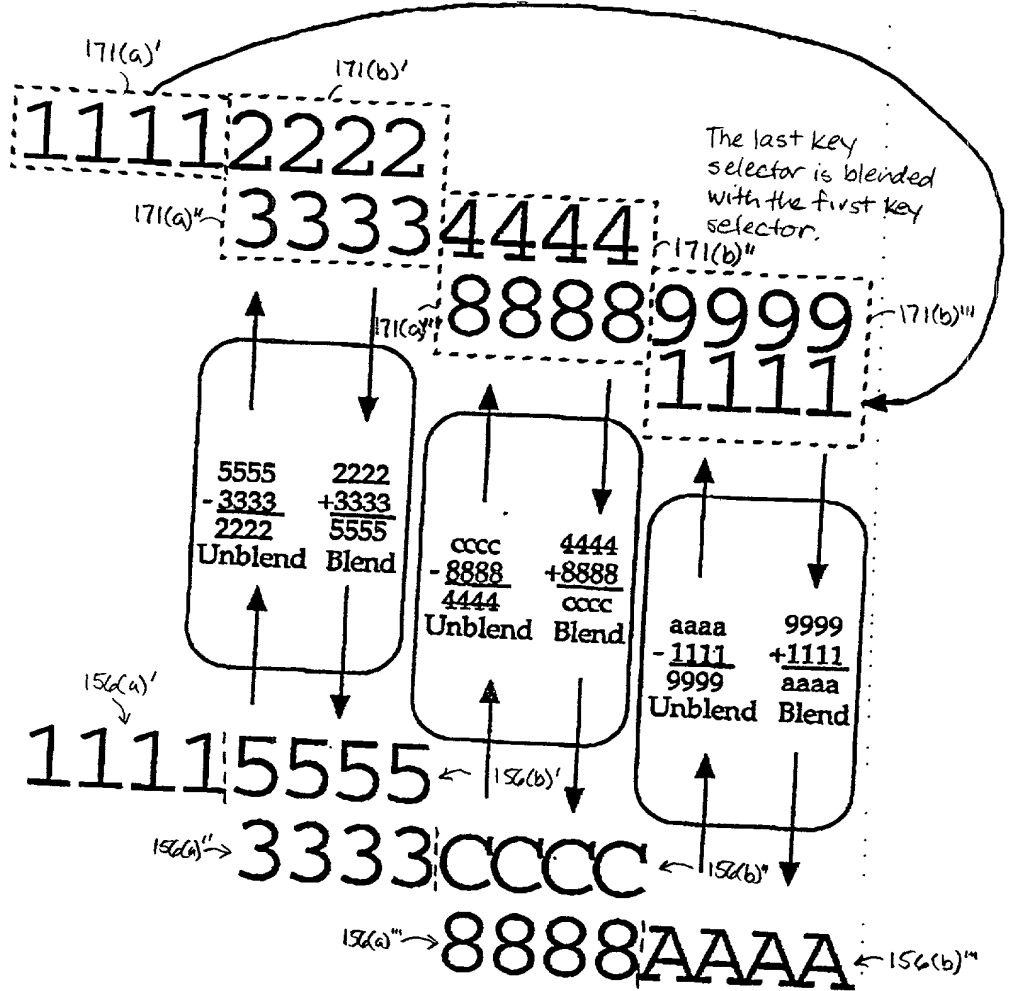


FIG. 10

KEY BLENDING ALGORITHM

171
 ↓
 Dynamic
 Key selector 171'
 Dynamic
 Key selector 171"
 Dynamic
 Key selector 171'''
 .
 .
 .



156
 ↓
 Dynamic
 Key selector
 data item 156'
 Dynamic
 Key selector
 data item 156"
 Dynamic
 Key selector
 data item 156'''
 .
 .
 .

**KEY EXCHANGE BETWEEN TWO PORTABLE
AUTHORIZATION DEVICES**

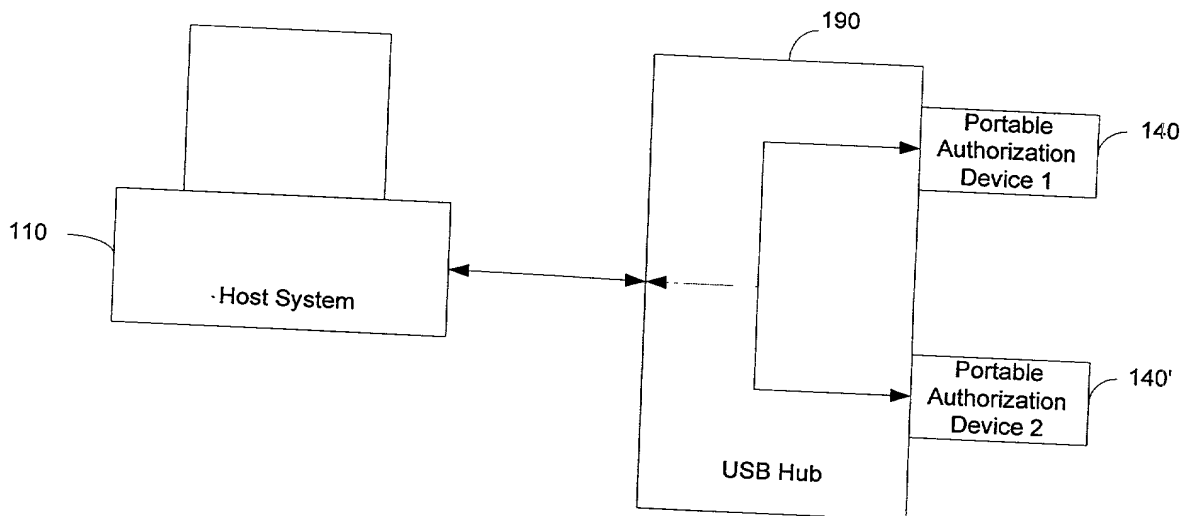


FIG. 12

DECLARATION FOR UTILITY PATENT APPLICATION

AS A BELOW-NAMED INVENTOR, I HEREBY DECLARE THAT:

My residence, post office address, and citizenship are as stated below next to my name.

I believe I am the original, first and joint inventor of the subject matter which is claimed and for which a patent is sought on the invention entitled: **PORTABLE AUTHORIZATION DEVICE FOR AUTHORIZING USE OF PROTECTED INFORMATION AND ASSOCIATED METHOD**, the specification of which is attached hereto unless the following box is checked:

☐ was filed on * as United States Application Serial No. _____ and was amended on * (if applicable).

I HEREBY STATE THAT I HAVE REVIEWED AND UNDERSTAND THE CONTENTS OF THE ABOVE-IDENTIFIED SPECIFICATION, INCLUDING THE CLAIMS, AS AMENDED BY ANY AMENDMENT REFERRED TO ABOVE.

I acknowledge the duty to disclose information which is material to the patentability as defined in 37 C.F.R. § 1.56.

I hereby claim foreign priority benefits under 35 U.S.C. § 119(a)-(d) or § 365(b) of any foreign application(s) for patent or inventor's certificate, or § 365(a) of any PCT International application which designated at least one country other than the United States listed below and have also identified below, by checking the box, any foreign application for patent or inventor's certificate, or PCT International application having a filing date before that of the application on which priority is claimed:

Application No.	Country	Date of Filing (day/month/year)	Priority Claimed?
*			<input type="checkbox"/> Yes <input type="checkbox"/> No

I hereby claim benefit under 35 U.S.C. § 119(e) of any United States provisional application(s) listed below:


Application Serial No.	Filing Date
*	

I hereby claim the benefit under 35 U.S.C. § 120 of any United States application(s), or § 365(c) of any PCT International application designating the United States, listed below and, insofar as the subject matter of each of the claims of this application is not disclosed in the prior United States or PCT International application in the manner provided by the first paragraph of 35 U.S.C. § 112, I acknowledge the duty to disclose information which is material to patentability as defined in 37 C.F.R. § 1.56 which became available between the filing date of the prior application and the national or PCT International filing date of this application.

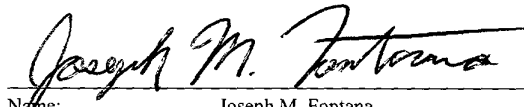
Application Serial No.	Filing Date	Status
60/169,506	12/7/99	<input type="checkbox"/> Patented <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Abandoned

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under § 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

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Date


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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In the application of:

Cronce, et al.

Serial No.: Unassigned

Filing Date: HEREWITH

For: PORTABLE AUTHORIZATION DEVICE
FOR AUTHORIZING USE OF
PROTECTED INFORMATION AND
ASSOCIATED METHOD

Examiner: Not Assigned

Group Art Unit: Unknown

**PROSECUTION BY ASSIGNEE AND POWER OF ATTORNEY
UNDER 37 C.F.R. § 3.71**

Assistant Commissioner for Patents
Washington, D.C. 20231

Dear Sir:

Pace Anti-Piracy, Inc., the assignee of the entire right, title and interest in this patent application, under 37 C.F.R. § 3.71 hereby appoints:

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Mark R. Carter (Reg No. 39,131)
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Thomas G. Wiseman (Reg No. 35,046)
Frank Wu (Reg No. 41,386)

all of Morrison & Foerster LLP, 425 Market Street, San Francisco, California 94105-2482, telephone (415) 268-7000, to prosecute this application and transact all matters in the United States Patent and Trademark Office connected therewith, said appointment to be to the exclusion of the inventors and their attorneys in accordance with the provisions of 37 C.F.R. § 3.71 provided that if any one of said attorneys or agents ceases being affiliated with the law firm of Morrison & Foerster as partner, employee or of counsel, such attorney's or agent's appointment as attorney or agent and all powers derived therefrom shall terminate on the date such attorney or agent ceases being so affiliated.

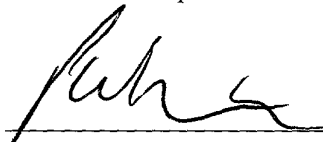
Please direct all written communications relative to this application to:

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Please direct all telephone communications to Stephen C. Durant at (415) 268-6982.

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